

The Department of Financial Institutions regulates the business of money transmission under the Indiana Money Transmitter Act, IC 28-8-4.

The Act does not apply to the United States or an instrumentality of the United States; a state, a political subdivision of the state; a bank, a bank holding company, an industrial loan and investment company, a credit union, a building and loan association, a savings and loan association, a savings association or bank, a mutual bank or savings bank organized under the laws of any state or the United States; or an authorized delegate of a person licensed under the Act.

DEFINITIONS

"Money Transmission" means the sale or issuance of payment instruments; or engaging in the business of receiving money for transmission from; or transmitting money to any location and by any means, including a payment instrument, wire, facsimile, or electronic transfer.

"Payment Instrument" means a check; draft; money order; traveler's check; or an instrument or written order for the transmission or payment of money; sold or issued to one or more persons, whether such instrument is negotiable. "Payment Instrument" does not include a credit card voucher; a letter of credit; or an instrument that is redeemable by the issuer in goods or services.

"Authorized delegate" means an entity designated by a licensee to sell or issue payment instruments; or engage in the business of transmitting money on behalf of the licensee.

"Security device" includes a surety bond, an irrevocable letter of credit, or other similar security device.

LICENSE REQUIREMENT

A person shall not engage in the business of money transmission without a license obtained from the Indiana Department of Financial Institutions.

The application must contain:

- ✓ the location of the applicant's business records;
- ✓ the history of the applicant's material litigation; and criminal convictions for the 5 years before the date of the application;
- ✓ a description of the activities conducted by the applicant;
- ✓ the applicant's history of operations;
- ✓ the business activities in which the applicant seeks to be engaged in Indiana;
- ✓ a list identifying the applicant's proposed authorized delegates in Indiana;
- ✓ a sample authorized delegate contract;
- ✓ a sample payment instrument;
- ✓ the name and address of the clearing bank or banks which the applicant's payment instruments will be drawn or through which such payment instruments will be payable;
- ✓ the location of the applicant's business records;
- ✓ documents revealing that the applicant has a net worth of at least \$100,000 calculated in accordance with generally accepted accounting principles plus \$50,000 for each location in Indiana or each authorized delegate located in Indiana or \$500,000;
- ✓ a certificate from the state in which the applicant was incorporated stating that the corporation is in good standing; a description of the corporate structure of the applicant; an audited financial statement or parent corporation's form 10K for the current year if available and the preceding two years; and a security device that secures the faithful performance of the obligations of the licensee to receive, handle, transmit, and pay money in connection with the sale and issuance of payment instruments or transmission of money in accordance with Section 27 of the Act or deposits

in lieu of a security device in accordance with Section 29.

The director shall issue a license to an applicant authorizing the applicant to engage in the activities of money transmitting if the director finds that the applicant's business will be conducted honestly, fairly, and in a manner commanding the confidence and trust of the community and the applicant has fulfilled the requirements imposed by the Money Transmitter Act.

There is a \$1,000 license application fee. A license is renewed for twelve months upon the filing of a renewal application by December 31st of each year. The license renewal fee is set by the department and is currently \$500.00 plus \$10 per authorized delegate up to \$2,000.

Each licensee shall maintain a policy of insurance issued by an insurer authorized to do business in Indiana that insures the applicant against loss by a criminal act or act of dishonesty. The principal sum of the policy shall be equivalent to 1/2 of the required security device required under Section 27 or deposit required under Section 29 of the Money Transmitters Act.

A licensee must at all time possess permissible investments with an aggregate market value calculated in accordance with generally accepted accounting principles of not less than the aggregate face amount of all outstanding payment instruments issued or sold by the licensee or an authorized delegate of the licensee in the United States.

The director or his representative may conduct an annual onsite examination of a licensee or an authorized delegate of a license. Written notice will be given 45 days before conducting an onsite examination. Reasonable expenses incurred in the examination will be borne by the licensee. If the director determines, based on the licensee's financial statements and past history of operations in Indiana, that an onsite examination is unnecessary, the directory may waive the onsite examination.



The Indiana Department of Financial Institutions,
Division of Consumer Credit has many other credit
related brochures available, such as:

Answers to Credit Problems
Applying for Credit
At Home Shopping Rights
Bankruptcy Facts
Buried in Debt
Car Financing Scams
Charge Card Fraud
Choosing A Credit Card
Co-Signing
Credit and Divorce
Credit and Older Consumers
Deep in Debt?
Equal Credit Opportunity
Fair Credit Reporting
Fair Debt Collection
Gold Cards
Hang up on Fraud
High Rate Mortgages
Home Equity Credit Lines
How to Avoid Bankruptcy
Indiana Uniform Consumer Credit Code
Look Before you Lease
Mortgage Loans
Repossession
Reverse Mortgage Loans
Rule of 78s – What is it?
Scoring for Credit
Shopping for Credit
Using Credit Cards
Variable Rate Credit
What is a Budget?
What is the DFI?

Call our toll-free number or write to the address on the
cover for a copy of any of the brochures listed or for
further consumer credit information.



DEPARTMENT OF FINANCIAL INSTITUTIONS
Consumer Credit Division
30 South Meridian Street, Suite 300
Indianapolis, Indiana 46204

MONEY TRANS- MITTERS



DEPARTMENT OF FINANCIAL INSTITUTIONS

Consumer Credit Division
30 South Meridian Street, Suite 300
Indianapolis, Indiana 46204
317-232-3955
1-800-382-4880

